



Canada Life[™]
International

keyfacts[®]

Wealth Preservation Account

Key Features

This document shows the main points about your Wealth Preservation Account. Please read it with your personal illustration and keep it with the other documents relating to your Wealth Preservation Account. The personal illustration shows what you may get back from your investments.

The Financial Services Authority is the independent financial services regulator. It requires us, Canada Life International Limited ('we, us, our'), to give you this important information to help you to decide whether the Wealth Preservation Account is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.



Wealth Preservation Account

The Canada Life International Wealth Preservation Account (the Account) is designed for someone looking to reduce his or her potential inheritance tax (IHT) bill and is happy to give away a sum of money in order to do so. It also provides the opportunity to link the performance of the Account to a wide range of investment funds or cash deposits. The Account also provides optional annual payments to support existing income or other financial planning needs.

Its aims

- To build up a sum of money outside your estate, which is potentially free from IHT.
- To pay you money out of the Account on each anniversary date, if required.
- To allow you to invest in a fund or range of funds to meet your investment needs.

Your commitments

- To invest a minimum single premium of £50,000 (or currency equivalent) into the policies.
- To transfer the legal ownership of the policies into a trust called the Initial Trust.
- To transfer the rights of the policies into a trust called the Settlement.
- As Trustee of the Initial Trust, you and the other Trustee(s) of the Initial Trust must act upon the instructions of the Trustees of the Settlement. We will deal with Trustees of the Initial Trust.

Risk factors

There are circumstances which could reduce the value of your investment or the tax benefits derived from the Account. This could mean that the amount you or your beneficiaries receive is reduced.

- Tax legislation may change in the future. Therefore your own taxation position may alter.
- The value of your investment can go down as well as up and you or your beneficiaries may not get back the full amount invested. How any of the funds have performed in the past is not a guide for how the funds you have invested in will perform in the future.
- Some funds have higher levels of risk than others do and currency fluctuations can also affect how funds perform. Details of the fund choice are available on our website: www.canadalifeint.com. Please discuss this with your professional adviser.
- If you decide to link your Account benefits to a fund which holds property, we have the right to delay switching any amounts out of the fund or paying claims for up to six months if we think this is necessary to protect our other policyholders' interests.
- If you die within seven years of setting up the Account, your initial investment may become chargeable to IHT at the full rate. Some reduction in the amount of IHT payable may be available if you die more than three years after the Account commences.
- If the Account is cancelled within 30 days, you may get back less than you paid in. Please refer to 'Can I change my mind?' on page 9 for further information.

Questions and Answers

What is the Wealth Preservation Account?

The Wealth Preservation Account consists of a number of Canada Life International policies and a trust. This structure allows you to reduce IHT while retaining an income from your investment.

- You pay an amount of money (the premium) into a number of policies called life assurance policies.
- You can invest any amount into the policies as long as you invest a minimum of £50,000 (or currency equivalent). You cannot pay in any further premiums.
- The Account can also be held in US Dollars or Euro. If any currency conversions are required, we will try to obtain the latest available rate.
- You can have any number of policies as long as each one has a minimum initial premium of £2,000 (or currency equivalent).
- You select a maturity date for each policy which must be an anniversary of the start date of the Account (no later than the year the youngest life assured reaches age 101). Two or more policies can have the same maturity date.
- The legal ownership of the policies is immediately transferred into a Trust called the Initial Trust. You are automatically a Trustee of the Initial Trust. You must appoint at least one other UK resident Trustee to this Trust.
- All other rights under the policies are transferred into a Trust called the Settlement. You must appoint at least two UK resident Trustees to this Trust. You can be a Trustee of the Settlement if there is at least one Trustee who is not your spouse, civil partner or a beneficiary of the Settlement.

How does the Wealth Preservation Account work?

- The Account can be held in your name only.
- You must be aged 18 or over when the Account starts.
- Trustees must be aged 18 or over.
- You are automatically a life assured.
- If you want someone else or several other people to be lives assured, you must provide their details on the application form.
- The policies can have up to six lives assured.
- There must be at least one life assured who is no older than 79.
- By setting up the policies with multiple lives assured, the Account could continue even after your death.
- The Account will end on the death of the last life assured.
- The Trustees of the Settlement will make all the decisions about the policies. They will instruct the Trustees of the Initial Trust to complete the necessary paperwork and send it to us.
- You must name the beneficiaries when you establish the Trust. The beneficiaries must be a person or people or an identifiable group of people (such as 'my grandchildren'). These are the people who can benefit from the Trust. The Trustees can change the beneficiaries at any time.
- At each Account anniversary when one or more policies reach their maturity dates, the Trustees of the Initial Trust acting on the instructions of the Trustees of the Settlement, must tell us whether to:
 - allow all the policies to mature, or
 - allow some of the policies to mature and defer the maturity date of the remaining ones, or
 - defer the maturity dates of all the policies.
- If a policy matures during your lifetime, the maturity proceeds belong to and are payable to you.
- Deferred policies are given new maturity dates.
- Following the death of the last life assured, the death benefit is payable to the Trustees of the Initial Trust for the benefit of the beneficiaries.
- The Trustees of the Settlement can instruct the Trustees of the Initial Trust to either pay the death benefit to the beneficiaries or to reinvest the proceeds elsewhere for the benefit of the beneficiaries.

Where is my premium invested?

- You make the initial decision as to what fund or funds to invest into. Each fund is divided into equal parts called units and we use your premium to buy as many units in your chosen fund(s) as possible.
- The Trustees of the Settlement will make future investment decisions (subject to our consent).
- You or the Trustees of the Settlement can instruct the Trustees of the Initial Trust to nominate a fund adviser to make the investment decisions. They must hold an appropriate authorisation or approval from their regulator to perform this role.
- Alternatively, upon the completion of the necessary documentation which can be requested from us, the Trustees of the Initial Trust can nominate a single Trustee to make these investment decisions.
- We offer a wide range of funds that you can invest in to suit your needs.
- In addition to the fund range offered by us, you can choose from a wide range of collective investment schemes and cash deposits. The document 'Your guide to investments' (form 6815) provides further information on the different types of funds that are available. This guide is available to download from our website; www.canadalifeint.com. You should seek advice from your professional adviser as to what is the most suitable investment for you.
- The value of the units linked to your policies (the unit value) will vary from day to day, some funds value their units daily: others will be weekly or monthly. This is the valuation date. The value of all the units you have allocated to your policies is the policy value.
- There is no maximum number of funds that you can invest into.

What are the charges and what are they for?

- We will deduct an amount from the policies to pay for setting them up (known as an Establishment Charge) and for their ongoing administration (known as an Administration Fee).
- We may increase the policy charges if the cost of managing the policies increases.
- If instructed to do so we will make deductions from your policies to pay your professional adviser for the advice that he/she may have given you, and to pay your fund adviser if appointed.

There are various different charging structures available to suit your requirements. Full details are shown on the 'Wealth Preservation Account charges and fees' document (form 6583) which is available to download from our website; www.canadalifeint.com or by contacting our office on **01624 820399**.

Once you have decided which charging structure to use, your professional adviser will obtain a personal illustration for you, which will detail the charges applicable to your policies.

Can I take my money out?

- You can only get money out of the Account when policies mature during your lifetime. The maturity proceeds payable will be the unit value of a policy on its maturity date.
- Withdrawals are not permitted.
- The Trustees of the Settlement can instruct the Trustees of the Initial Trust to surrender policies at any time before they reach their maturity date. Any surrender proceeds are payable to the Trustees of the Initial Trust for the benefit of the beneficiaries.

What happens when I die?

- The Trustees of the Initial Trust must inform us of your death as your right to receive an income stops on your death.
- If you are the only life assured the Account must end.
- If there are remaining lives assured, the Trustees of the Settlement can decide whether to surrender some or all policies or leave some or all policies invested.
- The Account can continue until the death of the last life assured.

What happens when the last life assured dies?

- On the death of the last life assured, we will pay the death benefit to the Trustees of the Initial Trust.
- The death benefit is the unit value of the policies calculated at the next valuation date following receipt of written notification of death less any outstanding fees and charges plus £100 (or currency equivalent).
- The death benefit will be paid out once all the investments have been settled and all the required documentation has been received by us.

How is a claim made?

- To make a claim the Trustees of the Initial Trust should contact your professional adviser or our customer support team at the address shown on page 11. We will then let them know the information we require.

Can I change my mind?

- We are not directly authorised by the Financial Services Authority and, therefore, the Financial Services Authority cancellation rules do not apply to our Accounts.
- We do however continue to offer cancellation rights and you have the right to change your mind and cancel the Account within 30 days of receiving the document 'Notice of the right to cancel' from us.
- Once you have put the policies in Trust, only the Trustees of the Initial Trust can cancel the policies by completing the notice of the right to cancel.
- Any fall in value of the investment will be deducted from the amount returned. Should a rise in investment value occur, we will retain the surplus and only the amount invested will be returned.
- You should be aware that if the Trustees of the Initial Trust choose to cancel an Account that is either:
 - linked to a deposit which has a term of more than 30 days; or
 - linked to a fund which deals monthly, quarterly, annually or less frequently then the following will apply:
- The Account will be cancelled on the date we receive the cancellation notice, however we may delay the repayment of the part of the Account linked to the deposit or fund described above until the deposit matures or the dealing date for the fund is reached and full settlement is received by us.

What taxes are applicable?

- We are resident in the Isle of Man and pay no local taxes on the capital growth or income which accrue to our funds. However, withholding tax may be charged on certain investments and this is not reclaimable.
- You or the Trustees of the Initial Trust may have to pay IHT in the future. You should discuss this with your professional adviser.
- If you are UK resident for tax purposes, and a policy matures or is surrendered during your lifetime, there may be a charge to income tax. If the amount paid out is greater than the premium paid into that policy, the difference is subject to income tax. Income tax is payable by you at your highest rate.
- If a policy matures or is surrendered after the tax year of your death and the amount paid out is greater than the premiums paid in to that policy, the difference will be subject to income tax. Income tax is payable by the Trustees of the Initial Trust at the Trustee rate of income tax.
- On the death of the last life assured, if the surrender value of the policies immediately before death is greater than the premiums paid in, the difference will be subject to income tax. If you are the last life assured to die, your estate will be liable to any income tax. If you are no longer living when the last life assured dies, the Trustees of the Initial Trust will be liable for any income tax due.

This is based on our understanding of relevant legislation as at January 2010 and could be subject to change in the future.

How to contact us

- You should contact your professional adviser in the first instance.
- If you have any questions you can contact us in the following ways:

Phone: **01624 820399**

E-mail: **customer.support@canadalifeint.com**

Head office address:
Canada Life International Limited
St Mary's
The Parade
Castletown
Isle of Man
IM9 1RJ

Website: **www.canadalifeint.com**

Further information

How to complain

If you need to complain about any part of the service we have provided, please write to us at the address on page 11.

If you are not happy with our response you can contact:

Financial Services Ombudsman Scheme for the Isle of Man
Government Buildings
Lord Street
Douglas
Isle of Man
IM1 1LE

Phone: **01624 686500**

Email: **ombudsman@iomoft.gov.im**

Website: **www.gov.im/oft**

Referring a complaint to the Ombudsman may preclude you from taking legal proceedings.

What legal system applies to the Account?

The law of the Isle of Man will apply to your Account.

What protection is there for this Account?

Policyholders of Canada Life International policies are protected by the Isle of Man Life Assurance (Compensation of policyholders) Regulations 1991 if the company becomes unable to meet its liabilities to them. You should read the 'Policyholder Protection' leaflet (form 6383), which is available on request, or on our website www.canadalifeint.com

Terms and conditions

This document is a brief guide to the key features of the Wealth Preservation Account. You can read the full terms and conditions in the 'Wealth Preservation Account policy provisions' (form 6589) which, together with the application form, makes the legally binding contract between you and us.



Canada Life
International

Canada Life International Limited, St. Mary's, The Parade, Castletown, Isle of Man IM9 1RJ Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201
www.canadalifeint.com Registered in the Isle of Man No. 33178. Member of the Association of International Life Offices.

Canada Life Group consists of Canada Life Limited, Canada Life Asset Management Limited (both authorised and regulated by the Financial Services Authority), Canada Life International Limited and CLI Institutional Limited (Isle of Man registered companies authorised and regulated by the Isle of Man Insurance and Pensions Authority). All promotional material produced is approved by Canada Life Limited.